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PROBABLE DEVELOPMENTS IN FRANCE

Submitted by the

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Concurred in by the

INTELLIGENCE ADVISORY COMMITTEE

on 29 March 1955. Concurring were the Special Assistant, Intelligence, Department of State; the Assistant Chief of Staff, G-2, Department of the Army; the Director of Naval Intelligence; the Director of Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC, and the Assistant to the Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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PROBABLE DEVELOPMENTS IN FRANCE

THE PROBLEM

To assess the outlook for France over the next several years, assuming ratification of the Paris Accords.

CONCLUSIONS

1. Barring the unlikely contingencies of a severe domestic economic crisis or external developments seriously undermining France's position in Europe or North Africa, the right-center orientation of French cabinets will probably prevail until the 1956 national elections. The outlook is for continued ministerial instability, but cabinet changes are likely to be limited to the reshuffling of moderate rightist and center leaders. (*Paras. 21-22*)

2. The present Faure government¹ and its successors probably will continue the economic expansion program of the past year and a half, but will avoid following up the modest moves of Mendes-France to reshape the economy. It is unlikely that they will seek to alter substantially the Mendes-France policies toward Indochina, North Africa, and European integration. (*Para. 23*)

3. The electoral system under which the 1956 elections will be held has not yet

been decided, but it is likely to be either the present system of limited proportional representation or the prewar system of the single member two-ballot run-off. The extremist parties probably would lose some of their present strength under either system. However, whichever electoral system prevails, the pattern of Assembly politics and the character of French governments are unlikely to be fundamentally changed. We believe that a considerable degree of instability and negativism will for the foreseeable future continue to characterize the French political scene. (*Paras. 24-26*)

4. Unless French governments succeed in attracting extreme left votes by a dramatic reform program, the French Communist Party (PCF) probably will continue to receive close to 25 percent of the popular vote in the 1956 elections, but will almost certainly continue to be excluded from direct participation in forming national policies. Nevertheless, the political and psychological strengths of the PCF, including its ability to penetrate sensitive government positions, afford the

¹For the alignments in the French National Assembly, see Chart at end of estimate.

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French Communists opportunities for exercising indirect influence upon the formulation of such policies. In any case, French will and ability to fight in the event of general war would be adversely affected by PCF propaganda, subversion, sabotage capabilities, and infiltration of defense industries and the armed forces. (Paras. 29-30, 49)

5. France's economic prospects are moderately favorable; however, its rate of economic expansion over the next few years is likely to be somewhat less than the European average and considerably less than that of West Germany. The numerous weaknesses of the French economic system and the Assembly's unwillingness to accept strong reform programs will continue to inhibit rapid growth of the French economy. (Para. 38)

6. A majority of Frenchmen probably believe that reduction of international tensions is essential to give France time to strengthen itself. Thus, any likely French government will remain compelled to make every effort to achieve some form of international detente. However, France will almost certainly continue to regard its close alignment with the US and the UK through NATO as vital to its security, and therefore will not make or accept any major proposals strongly opposed by the US and the UK. (Paras. 53-55)

7. On the other hand, despite France's continued peacetime attachment to NATO, we believe that any French government, if it considered itself faced with the threat of nuclear devastation, might seek a neutral position. However, if the French government stood fast to its NATO commitments and entered into war, then existing units of the armed forces would fight. (Para. 48)

8. France's military posture in Europe has been adversely affected by: (a) diversion of military resources to Indochina and to North Africa; (b) decreasing apprehension regarding the likelihood of Soviet military aggression; and (c) a desire to reduce budget deficits and to divert resources to productive investments. Barring a major emergency, there is no prospect of any increase in French defense expenditures. We are currently unable to assess the outcome of the French Army's envisaged reorganization during 1955-1958, but it may result in units more effective under conditions of nuclear warfare than existing French NATO divisions. The combat effectiveness of the French Navy and Air Force will probably improve slightly over the next several years. (Paras. 39, 41, 44, 46)

9. Even after West Germany's entry into WEU and NATO, continued French fear and distrust of West Germany probably will result in French policies designed to slow the tempo of the German military build-up. For at least the next few years friction between France and West Germany may be a serious divisive force within the Western alliance. (Para. 60)

10. French policy toward North Africa probably will alternate between negotiated reform, imposed reform, and repression, with some slow and uneven liberalization the net result. However, France will use force to maintain what it considers the essential elements of its control in North Africa. If the US appeared to favor the North African nationalists, it would invite serious complications in its relations with France and in its utilization of the Moroccan bases. (Paras. 66-67)

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11. Although France, if left to its own devices, would probably adopt a policy of "accommodation" with the Viet Minh, we believe that it will keep reluctantly in step with US efforts to bolster the Vietnamese government. On the other hand, the French will probably adhere to the Geneva agreement to hold elections in 1956. Only convincing evidence of US determination to maintain an independent South Vietnam, coupled with strong

British pressure, might succeed in persuading France to agree to a postponement of the elections. (*Paras. 70-72*)

12. In the light of the above estimates, we conclude that France will continue to be one of the problem areas of the Western coalition. It will remain beset with internal weaknesses, and its policies vis-a-vis Germany, Indochina, and North Africa will continue to create difficulties for the US.

DISCUSSION

I. THE CURRENT POLITICAL SCENE

13. The fall of the "reform" government of Mendes-France in early February has been followed by the re-establishment under Edgar Faure of a right-center coalition of the type dominant in France since 1951.

14. However, the Mendes-France government, by its singularly positive approach to France's persistent foreign and domestic problems, had made a strong impression on the country. Mendes-France had at least temporarily succeeded in breaking through the parliamentary inertia characteristic of postwar French governments and had taken positive action to meet several urgent issues. His program was based upon his theses that France had extended her commitments beyond her ability to support them, that the nation was dangerously divided on such issues as EDC, and that the inability of past governments to take positive domestic and foreign policy action was in substantial measure the result of these conditions. Mendes-France's basic prescription for France's illness was over-all expansion and reform of the economy.

15. Circumstances compelled Mendes-France to give priority to pressing foreign policy issues. His government concluded an armistice in Indochina, began negotiations with the Tunisian nationalists, brought the EDC issue to a decision, and negotiated a substi-

tute formula for German rearmament within NATO and WEU. He made little progress with his much-touted economic program, but benefited politically from a favorable economic climate, in which production increased and France's balance of payments position improved.

16. In program, composition, and methods the Mendes-France regime cut across party lines, thereby representing a departure from the traditional party combinations of France's postwar cabinets. Unlike virtually all other postwar French governments, it derived its strength from the personal leadership of the premier and the appeal of his ideas to a heterogeneous group in the Assembly. The personal nature of the government was emphasized by the Mendes-France practice of explaining his policies to the public and appealing to deputies for support over the heads of their party leaders.

17. While the personal leadership of Mendes-France and his government's initial dynamism won a large measure of national popularity, the premier did not succeed in forming a solid and dependable body of parliamentary support. Moreover, Mendes-France himself aroused more bitter personal antagonisms than any other premier. In particular, he aroused the enmity of the MRP by his slashing attacks on the policies of previous MRP foreign ministers and by his failure to fight

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for EDC. Thus, in terms of parliamentary stability, his cabinet did not represent any fundamental improvement over its predecessors.

18. Although Mendes-France initially secured wide popular support from center and leftist political opinion, a considerable part of this support appears to have been forfeited by those of his economic policies that adversely affected the peasant and small shopkeeper groups, and by his espousal of German rearmament. Thus, while defections from his own Radical Party over North African policy delivered the coup de grâce, this partial loss of public support probably encouraged the Assembly to overthrow his government. Nevertheless, Mendes-France has been, and probably will remain for some time, the most popular of France's postwar premiers. Whether or not he will succeed in translating his still substantial popular and political support into a more concrete parliamentary position cannot be estimated at present.

19. The current return to a right-center coalition government conforms to the basic character of political relationships in the Assembly, where the isolation of the Communists on the extreme left gives exaggerated strength to the center and "moderate" rightist parties. Moreover, Faure is a logical choice to succeed Mendes-France: no less brilliant, but more cautious and flexible; not markedly less liberal, but nevertheless trusted by conservatives; not less aware of the need for economic reforms, but less convinced of the validity of dramatic action. In the probable majority Assembly view, Faure does not suffer by comparison with his predecessor in terms of ability and is a much "safer" premier in terms of positive action against individual interests.

20. However, Faure will need all his flexibility and political skill to preserve a coalition representing all parties except the Socialists and Communists. His task is rendered even more difficult by the Poujade movement protesting government tax enforcement measures directed toward small shopkeepers and other retailers. This movement, with its anti-democratic undertones, appears to have acquired disproportionate significance in the

current pre-election atmosphere, and poses a considerable threat to the government's stability. During the early days of his government while his credit is relatively high, Faure is likely to concede some wage increases and to initiate a limited tax reform. Thereafter, his field of maneuver probably will gradually become more restricted as the MRP displays its traditional uneasiness in its left-wing role in a right-center coalition, and as pressures for conservative North African policies increase.

II. PROBABLE POLITICAL TRENDS

21. *Short-term prospects.* Barring the unlikely contingencies of a severe domestic economic crisis or external developments seriously undermining France's position in Europe or North Africa, the right-center orientation of French cabinets will probably prevail until the national elections that are scheduled to take place by June 1956.² There is an outside chance, however, that electoral considerations may dictate a return to the Mendes-type coalition at some point prior to the elections. It is also conceivable, but even more unlikely, that the same considerations could lead to the establishment of some form of left-center (Socialist, Radical, MRP) government or a broad national union omitting only the Communists.

22. In any event, the outlook is for continued ministerial instability, due to the basic differences that exist in party attitudes, especially on economic and social policies, North Africa, and West Germany, and enhanced by pre-electoral party maneuvering. These ministerial changes nevertheless are likely to be limited to the reshuffling of moderate rightist and center leaders.

23. The present Faure government and its successors probably will continue the economic expansion program of the past year and

² The defeat of Mendes-France on a vote of confidence by the constitutional majority creates the possibility of a dissolution of the National Assembly and the holding of new elections at any time prior to 1956, should a succeeding government be defeated by a constitutional majority on a vote of confidence, but it is highly unlikely that such a dissolution will occur.

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a half and emphasize the modernization of production by means of increased investments. However, they will avoid following up the modest moves of Mendes-France to reshape the economy through reducing agricultural subsidies, discouraging restrictive business practices, and curtailing the number of small shopkeepers by means of more efficient tax collection. It is also unlikely that the Faure government or its successors will seek to alter substantially the policies established by Mendes-France relative to Indochina, North Africa, and European integration.

24. *The longer-term outlook.* The results of the voting in the 1956 national elections will depend largely upon unforeseeable domestic and international developments. However, were the elections to be held now, we believe there would be some diminution in the strength of both Gaullist and Communist extremes to the advantage of the other four major Assembly groups—Socialist, MRP, Radical, and *modéré* or rightist.

25. The electoral system under which the 1956 elections will be held has not yet been decided, but it is likely to be either the present system of limited proportional representation or the prewar system of the single member two-ballot run-off. Under either system the extremist parties are likely to lose some of their present strength. We estimate that the non-Communist parties should be able to maintain a fairly cohesive anti-Communist front in run-offs, and under these circumstances the prewar system would heavily reduce Communist membership in the Assembly.

26. Whichever system is used, the pattern of Assembly politics and the character of French governments are unlikely to be fundamentally changed. We estimate that the problems facing any French government remain so great and the pattern of conflicting party and local interests so firmly embedded in French society that future governments will be unable to make more than meager progress toward a *redressement* of France's domestic and external position. We believe that a considerable degree of instability and negativism will

for the foreseeable future continue to characterize the French political scene.

III. PROBABLE TRENDS IN COMMUNIST STRENGTH

27. The membership of the French Communist Party (PCF) is now at a postwar low of 350,000–400,000, its publications have declined in circulation, and it has had little success in organizing political strikes. The Communists succeeded in temporarily emerging from political isolation through their early support for the Mendes-France policies on Indochina and EDC, but the premier's subsequent stand on German rearmament forced them back into their usual virulent opposition role. On the whole, the influence of the PCF has changed relatively little over the past two years.

28. During this period, although French governments have continued to pursue modest anti-Communist measures, they have shown little interest in undertaking a vigorous campaign against the PCF. This lack of vigorous action has been due in part to an appreciation of the unpopularity of repressive measures against the left. Many Frenchmen believe that Communist strength can best be reduced by attracting the "protest vote" away from the PCF by an effective program to improve social and economic conditions. Future French governments are unlikely to step up anti-Communist harassment greatly except in the event of a marked increase in Soviet Bloc-Free World tensions or of a PCF shift to "direct action" tactics.

29. In the next general elections, unless French governments have succeeded in attracting extreme left votes by a dramatic reform program, the PCF will probably continue to receive close to 25 percent of the popular vote. Moreover, the Communists will probably continue to control the CGT, comprising more than half the declining number of organized workers; such workers now constitute only about one-quarter of the eleven million French wage-earners. Through this control the PCF can stimulate and exploit strikes over workers' ordinary grievances. However, we believe that, as long as economic

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conditions are reasonably favorable, it cannot initiate major strikes for political purposes only.

30. The numerous PCF propaganda organizations will remain able to arouse some popular resistance to policies which they can represent as dictated by the US. Despite their continued strength as France's only highly regimented political grouping, however, the Communists almost certainly will continue to be excluded from participating in the formulation of national policy. The PCF will no doubt continue its efforts to create a political front movement with non-Communist groups, but is highly unlikely to succeed. However, in the event of a serious depression the PCF would probably increase its strength and influence.

IV. PROBABLE ECONOMIC TRENDS

31. French economic growth since 1938 has been roughly equal to that of the rest of Western Europe. This is in sharp contrast to the experience of the 1930's, when French recovery from the depression lagged far behind that of most other Western European countries. French GNP is now estimated at 32 percent above 1938, the same percentage as for the Marshall Plan countries as a whole. Per capita GNP (valued at US 1950 prices) is now roughly \$1,000, slightly less than that of West Germany. Since the French labor force remained practically stationary, expansion of output was achieved mostly through increased production per worker. Throughout the period 1949-1954 gross investment in fixed assets (partly from US aid) was from 13-15 percent of GNP, as compared to 13 percent in the UK and 20 percent in West Germany.

32. *Current situation.* During 1954 the French economy emerged from the relative stagnation of 1952-1953. GNP and per capita private consumption increased four percent above 1953. Price levels and the cost of living have remained stable since 1952. Moreover, the French balance of payments has improved considerably; the metropole's foreign trade deficit was reduced from \$1.2 billion in 1952 to an estimated \$430 million in 1954.

In the fourth-quarter of 1954 exports almost covered imports for the first time in four years. The French have anticipated by several months the due dates of their US bank loans and have made some repayments on their EPU debit balance. At the same time French extraordinary dollar receipts are rising to a probable peak of over \$1 billion in US FY 1955, adding substantially to gold and dollar reserves.

33. This improved economic picture is attributable more to the favorable international economic situation, the effects of European trade liberalization, and a good foreign market for French manufactures, than to French economic policies. Government action did play an important role in reducing the large balance of payments deficit, but it achieved its purpose in great measure because of such favorable factors as a drop in world food and raw material prices and a high level of US expenditures. The improvement in France's payments position occurred despite a continued disparity between French and world price levels. It was effected through import restrictions, export subsidies, import taxes, and the "temporary tax" imposed on certain imports which were "liberalized" in order to narrow the gap between the level of French restrictions and those of other OEEC (Organization for European Economic Cooperation) countries. The combined effect of these make-shift measures has been estimated as equivalent to a 10 percent devaluation of the franc. Continued success with this policy probably depends both on a high level of European trade and on the absence of retaliatory import restrictions against France.

34. *Probable French economic policies.* The "18-month plan" for moderate economic expansion without inflation, introduced by Faure as Finance Minister in the Laniel cabinet, was continued by him under Mendes-France. In addition, Mendes-France proposed increased budgetary provisions for construction of houses, schools, and hospitals. He also established small funds for industrial reconversion and decentralization and for labor readaptation, with the aim of shifting economic resources into more productive ac-

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tivities. In agriculture, there has been a reduction in government guarantees for sugar beet production and alcohol distillation in order to cut surpluses and redirect agricultural resources. Nevertheless, relatively little was done to carry out Mendes-France's stated intention to increase production through structural reform of the French economy, making it more modern, flexible, and competitive by gradual elimination of privileges, subsidies, and other protective devices. The still to be enacted budget for 1955 differs in only minor respects from the pattern under the Laniel government.

35. Faure's basic economic program is not likely to differ greatly from that which he formulated as Finance Minister under his two predecessors in the premiership. The presentation of his economic policies in his investiture speech, defining broad objectives in terms of increases in production, income, and living standards by June 1956, was similar to his pronouncements in the past. Most significant were the indications that Faure intends to support the agricultural sector, to achieve payments equilibrium without external economic aid, and to watch carefully for danger signs of inflation; but he is less likely than Mendes-France to press for structural reforms that would antagonize powerful pressure groups.

36. The present French government or its successors may propose further steps toward creating a more competitive economy, including additional steps toward the liberalization of imports. There is a better than even chance that during the period of this estimate France will substantially reduce or abandon its system of export subsidies and import taxes and join the European trend toward freer trade and payments, even though this may in time require a formal devaluation of the franc.

37. On the investment side, French governments will probably continue the long-term programs already initiated. Substantial public investment is likely to continue, although the government will try to encourage private investors to assume a larger share of the burden. With the basic industries and public

utilities now largely modernized, the emphasis will shift to agriculture and the fabricating industries. The problem of low productivity in agriculture and the service trades is likely to be reduced through increased mechanization, improved methods, and the gradual transfer of underemployed manpower to large-scale industry. However, such programs will show results only over an extended period. Moreover, France's traditional inability to check inflationary spirals will tend to make any government cautious as to the lengths it could go in stimulating economic growth.

38. *Prospects for economic growth and self-support.* Under reasonably favorable world economic conditions, French economic growth over the next four years is likely to be about equal to that in 1950-1954. GNP is likely to rise by almost three percent annually, and industrial production may increase by about four percent, if France can maintain an investment rate of 13 to 15 percent of GNP. France's rate of economic expansion is thus likely to be somewhat less than the European average, and considerably less than that of West Germany, but substantially greater than its own average rate of growth during the past half century. Prospects for achieving self-support are favorable. Despite impending cut-backs in US extraordinary expenditures, there is a better than even chance that France will be able to eliminate gradually its quantitative import restrictions and other artificial devices and still maintain equilibrium in its balance of payments. On the other hand, such factors as susceptibility to inflation, restrictionist attitudes and institutional weaknesses, and the unwillingness of the conflicting interests in the Assembly to accept strong economic reform programs, will continue to inhibit a more rapid growth of the French economy and to make it vulnerable to adverse international economic shifts.

V. TRENDS IN ARMED STRENGTH AND WILL TO FIGHT

39. France's military posture in Europe has been adversely affected by: (a) diversion of military resources to Indochina and to North Africa; (b) decreasing apprehension regard-

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ing the likelihood of Soviet military aggression; and (c) a desire to reduce budget deficits and to divert resources to productive investment. Appropriations for the armed forces could be adversely affected by growing parliamentary skepticism as to the value of forces employing conventional weapons in a nuclear age. In 1954, estimated French defense expenditures by NATO definition amounted to about 8.5 percent of GNP at market prices. These outlays did not suffice to bring the French armed forces up to NATO standards of strength and effectiveness. Barring a major emergency, there is no prospect of any increase in French defense expenditures. Rather, the outlook is for minor decreases over the next several years.

40. As of 1 December 1954, the total strength of the French Army was 666,000 men, of whom about 45 percent were in Europe, 24 percent in North Africa, 23 percent in Indochina, and 8 percent scattered throughout the remainder of the French Union. The French now have 16 NATO-committed active divisions in Europe and North Africa. Twelve of these are in Europe, of which five are M-Day divisions and three are M+3 divisions. Of the four in North Africa, two are M+15 light infantry divisions and two are M+30 US-type units. Four of the non-M-Day divisions in Europe are still disrupted because of past transfers of men and equipment to form the two light infantry divisions in North Africa; these four units lack the equivalent of one combat team each. In addition, 18 battalions also have been sent as reinforcements to North Africa. In these circumstances, France could not make more than 11 operational divisions available to NATO by M+30. Moreover, in view of probable developments in North Africa, and the likely difficulty of securing wartime shipping for the transfer of troops from that area, this number might well be reduced. This situation will continue until substantial numbers of men and equipment are returned to Europe from either Indochina or North Africa.

41. The French plan to reorganize their army combat units in anticipation of the tactical use of nuclear weapons. Present plans, still

undergoing change, call for this reorganization to be completed between 1955-1958. During this period it is believed that French Army combat effectiveness will probably be reduced to some extent. By 1958, the present US type of infantry and armored divisions in Europe and North Africa will be transformed into smaller-type motorized infantry, armored, or mechanized divisions with strengths ranging between 7,000 and 11,000 men. Tentatively, there will be at least 14 such divisions maintained as NATO M or M+5 Day units at 100 percent of equipment. M-Day divisions will also have 100 percent of wartime personnel strength; M+5 divisions, 75 percent of war strength. The effect of the new reorganization plan will, by 1958, reduce the personnel war strength of France's NATO-committed divisions by approximately 50 percent. We are unable to assess at this time the effectiveness of the French units committed to NATO after the completion of the present reorganization in 1958. However, if the French can fully meet the personnel and equipment requirements for the new divisions, these units will probably be more effective under conditions of nuclear warfare than existing French NATO divisions. There are further plans to have a number of small (6,500 men), active, and lightly equipped Rifleman Divisions which could be used either for internal security purposes or as a nucleus which could be expanded to form more of the smaller-type motorized infantry divisions. These Rifleman Divisions will have post M+30 readiness dates and will be assigned to the national command rather than to NATO. The augmentation of active units by reserve units is still in the planning stage, and the effective mobilization of French reserve units will continue to be limited by the availability of equipment.

42. At present, roughly 27 percent of French Army strength consists of colonial (non-French) personnel, of which five percent are Indochinese and 15 percent are North African. The Indochinese element will be largely eliminated in the liquidation of the French Army in Indochina. The reliability of the North African troops might decrease under the influence of rising North African nationalism.

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43. The French Navy's combat strength consists of 3 small aircraft carriers, 2 battleships, 5 light cruisers, 14 destroyer types, 13 submarines, approximately 270 minor combatant vessels, and about 215 obsolescent aircraft in combat squadrons. Its current personnel strength (74,000) is hardly sufficient to provide a peacetime complement for the present fleet. Its effectiveness is also impaired by an archaic supply system, aging equipment, and the inability of the existing carriers to operate jet aircraft.

44. One antiaircraft light cruiser, 6 destroyers, and 52 minor combatant vessels now under construction are expected to join the fleet during 1955. At the same time 2 light cruisers will be placed in reserve, some older vessels will be decommissioned or scrapped, and some smaller units will be transferred to the Vietnamese. The navy will probably adopt a task group organization similar to the US "hunter-killer" group, the better to perform its NATO antisubmarine warfare mission. Its air defense capabilities will remain limited, however, pending the completion (probably in 1959) of an aircraft carrier capable of operating jet planes and the provision of modern jet aircraft.

45. The principal combat strength of the French Air Force is concentrated in 32 tactical squadrons with about 635 aircraft (nearly all jet) now committed to NATO. Less than half are combat ready, and the ratio is decreasing on account of the obsolescence of aircraft, acute shortages of spare parts, and lack of maintenance personnel. They could not conduct sustained combat operations unless foreign logistic support were quickly forthcoming. In the existing French budgetary situation, no substantial increase in their strength and effectiveness is likely without increased MDAP assistance.

46. An additional 250 obsolescent fighters in 11 squadrons are assigned to French metropolitan air defense. They are to be replaced, over the next two or three years, by approximately 400 new jet fighters. French air defense capabilities will remain low, however, on account of the insufficiency and obsolescence of radar equipment, the lack of trained radar

personnel, and the lack of modern antiaircraft artillery. On the other hand, over-all progress in developing NATO air facilities has been good. Major items of construction have been completed at 26 of the 43 NATO airfields in France, with an additional 13 partially finished. The bulk of this program should be completed by early 1956.

47. France is now building its first plutonium production reactor and, after the spring of 1957, will have a small stock of weapon-grade plutonium. If allocated entirely to weapons, French plutonium production will probably be sufficient to fabricate one or two nominal-yield, fission-type weapons per year. Plans for a second plutonium reactor which would at least double French production capacity are being considered, but its construction has not been scheduled. Sufficient uranium resources have been found in France and its overseas possessions to meet the requirements of production on this scale.

48. Although we believe that France will remain firmly attached to the NATO alliance in circumstances short of the imminent threat of general war, we are not confident of French steadfastness in the face of such a threat. If general war seemed actually impending, the resolution of the French government would be severely strained. Under these circumstances, it might seek a neutral position, particularly if it considered France faced with nuclear devastation. However, if the French government stood fast to its NATO commitments and entered into war, then existing units of the armed forces would fight.

49. French will and ability to fight would be adversely affected by French Communist propaganda and exercise of quasi-military and sabotage capabilities. The Communist element in the active officer corps is estimated at not more than two percent; no Communists are known among active flag or general officers. Roughly 10 percent of army and air force active and reserve enlisted men, including conscripts, are reported to be under varying degrees of Communist influence. However, in view of the voting pattern in France, we believe that a somewhat higher proportion of conscripts might be affected. In any case,

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Communist influence would constitute a serious security problem in the event of general mobilization. Communist infiltration in the defense industries is probably a more serious immediate problem, and is unlikely to be remedied over the next few years. The recent disclosure of leaks from the French Defense Council indicates continuing Communist ability to penetrate sensitive government positions.

VI. PROBABLE TRENDS IN FRENCH FOREIGN POLICY

50. Mendes-France's view of France's present international position, which was reflected in his foreign policies, appeared to represent majority French sentiment and probably still does. His fundamental thesis was that France's weakness and its overextended commitments prevent it from realizing its claim to "world power" status. He believed that in its weakened, dependent condition France was exposed to undue pressure from its allies, and that in a Continental supranational system it would be threatened with domination by a more powerful West Germany. Thus, he saw reforms at home and retrenchment abroad as prerequisites to regaining a respected voice in allied councils.

51. French foreign policy decisions since last June have been primarily along these lines. In Europe, France retreated from the supranationalism of EDC, but supported alternative plans for German rearmament on a more traditional coalition basis. Overseas, France is reducing its military commitments in Indochina, and limited internal autonomy has been offered Tunisia as the first step toward preserving French control over North Africa without incurring new military liabilities.

French Policy in the Cold War

52. *French policy toward the USSR.* While aware of the potential Soviet threat to their security, the French tend to the view that the USSR is no more willing than the West to risk a nuclear war, and that the Soviet campaign for reduction of tensions is not merely a tactical subterfuge but is largely motivated by internal pressures. Many Frenchmen also

believe that the real menace of Communism in Europe is political and subversive rather than military.

53. Thus, a probable majority of Frenchmen not only believe that reduction of international tension is essential to give France time to strengthen itself, but consider that the nature of Soviet leadership since Stalin's death and the magnitude of Soviet internal problems may permit some form of international detente. This search for a detente also reflects the strong French desire to obviate the need for German rearmament and to maintain some influence in Southeast Asia.

54. These complex factors underlie French advocacy of four-power talks. Given the present state of French parliamentary and public opinion, any likely French government will remain compelled to make every effort to reach a detente. In their eagerness to achieve this objective, the French would be receptive to any new Soviet proposal on Germany which seemed worthy of exploration. They hope that initial approval of German rearmament by the Western Powers will render the USSR more willing to negotiate. However, France would be highly unlikely to make any bilateral accommodation with the USSR. It would almost certainly not make or accept any major proposals that were strongly opposed by the US and the UK.

55. *French policy toward the Western alliance.* We believe it is still a fixed tenet of French policy that close French alignment with the US and UK through NATO is vital to the security of France. Largely for domestic political reasons, French politicians may at times favor certain independent initiatives toward the USSR, but the French do not regard their efforts to promote a reduction of tensions as in any way inconsistent with this alignment. Indeed, they almost certainly share the view that any realistic understanding with the USSR can be achieved only by the united weight of the Western alliance.

56. Despite inevitable minor frictions, the French basically regard the maintenance of US troops and bases in France and Western Europe as an indispensable guarantee of US

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willingness to defend the Continent. German rearmament will provide them an additional reason for desiring the presence of US forces.

57. Because of already existing French fears of the effect of another global war, the development of thermonuclear weapons has as yet had a comparatively limited impact on French opinion. While concern over nuclear warfare reinforces French desires to seek a reduction of tensions, it has not led to any measurable increase in neutralism in France and we believe it is unlikely to cause the French to waver in their peacetime support for NATO.

58. Within the framework of its NATO alliance French policy tends to be aligned more with that of the UK than with that of the US. This tendency is largely due to the French belief that the UK: (a) has a more realistic approach to the international situation and, like France, favors some form of *modus vivendi* with the Communist Bloc; (b) shares to some degree French distrust of Germany and fear of West German domination of the Continent; and (c) as a colonial power, is more sympathetic regarding France's problems in the Far East and North Africa than is the US.

French Policy Toward Germany

59. Despite what we regard as a long-term trend toward a submergence of Franco-German antagonisms as a result of the changed world power situation, French preoccupation with the threat of German revival still produces contradictory impulses in French policy and creates major problems for France's allies. France's continued weakness and overextension at a time when West Germany has been rapidly recovering has only intensified French concerns. The French government's willingness to negotiate quickly on a substitute for EDC and the initial favorable Assembly vote on that substitute primarily reflected French conviction that US-UK insistence made West German rearmament inevitable and that France could not afford to break with its allies. The French still fear that a sovereign and rearmed West Germany: (a) will come to dominate Western Europe; (b) will make efforts to achieve reunification which will

cause war; or (c) will realign itself with the USSR. In addition, many Frenchmen argue that German divisions are not needed or useful in a thermonuclear era, and they lack conviction that the number of West German troops will in fact remain within the set limits.

60. Even after West Germany's entry into WEU and NATO, French fear and distrust of West Germany would remain. This concern, together with determination to hold defense outlays at a minimum, and hopes for an international disarmament agreement, probably will result in French policies designed to slow the tempo of the German military build-up. For at least the next few years friction between France and West Germany may be a serious divisive force within the Western alliance. The French will seek to limit the number of NATO high command positions held by Germans, and will insist on the NATO Central European command being retained by a Frenchman.

61. Although France and West Germany signed an agreement last fall on the future disposition of the Saar, clearly diverging interpretations of that agreement have increasingly aroused domestic political strife in both countries. Franco-German differences over the Saar will create further difficulties, especially if pro-German parties in the Saar actively agitate against the Saar statute. France will insist on rigid maintenance of the Franco-Saar customs and monetary unions, though it is pledged to a policy of facilitating West German trade with the Saar. France and West Germany have agreed to study methods for expanding their mutual trade and some progress may be made in this field.

French Policy Toward European Integration

62. French foreign policy under Mendes-France was more nationalistic than in any previous postwar period, and this trend is likely to continue. EDC was rejected largely because of this ground-swell of French nationalist sentiment. In the present French view, France's weakness vis-a-vis West Germany must be remedied before France can

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indulge in further supranationalism. Under these circumstances French support of further supranational European institutions is at least temporarily at an end. The French are unlikely to attempt to undermine the existing Coal and Steel Community (CSC), but they are reluctant to extend its functions. The French will tend to adopt a position similar to that of the British on most questions involving creation of supranational organizations.

63. France may press for some limited supranational features in organizations like the proposed WEU arms pool, to the extent that they appear to promise controls over German rearmament and to provide benefits for France. However, they will take care not to press so far as to alienate the British. Moreover, the unexpected success in bringing the UK into a closer alignment with the Continent will act as a barrier to attempts to revive the six-power community as the basic unit of Western European integration.

French Policies Toward Overseas France

64. The French have increasingly stressed their overseas possessions as an indispensable element in France's postwar "great power" position, especially as a counterweight to the burgeoning strength of West Germany. Many of these possessions are of substantial strategic and military value, especially in terms of lines of communication and of military manpower, though they constitute a net drain on French economic resources. With the deterioration of the French position in Indochina, the "Eurafrique" concept of France's international power position has become a fixed element of French policy. This concept stresses the need to concentrate France's resources on expanding the economies and strengthening the defenses of French African possessions, particularly North Africa.

65. *Policy toward North Africa.*³ Though France has been slow to appreciate the growth of nationalist sentiment in North Africa, offi-

³ See NIE 71-54, "Probable Developments in North Africa," dated 31 August 1954, for a fuller discussion.

cial French policy is now based on pledges to extend "internal autonomy" to Tunisia in the immediate future and more gradually to Morocco. In practice, this policy has combined suppression of nationalist activities with limited reform programs imposed on the protectorates. The Mendes-France government, however, inaugurated a policy of negotiating, rather than imposing, such reforms. This policy thus far has been applied only to Tunisia, where negotiations with representative nationalist groups on the protectorate's status probably will continue under the Faure government. The French are also attempting to plan a new reform program for French Morocco. However, in view of Morocco's less advanced status and the greater size and strength of its population of French descent as compared with Tunisia, this program probably will be much more modest. The French have no idea of granting autonomy to Algeria, but rather of completing its integration into the metropole.

66. French policy over the next several years probably will alternate between negotiated reform, imposed reform, and repression, depending on the nature of French governments and of nationalist demands, with some slow and uneven liberalization the net result. The minimum French requirements in the area probably will include continued: (a) control of foreign affairs, defense, and finance; (b) maintenance of France's dominant economic position; and (c) guaranteed rights for the sizeable French, other European, and Jewish minorities. France will use force to resist any challenge to these essential requirements.

67. French foreign relations will be affected to an increasing degree by the North African problem. Strained French relations with the Arab states, particularly Egypt, can be expected so long as these states extend propaganda and material support to the North African nationalists. French relations with Spain will not evolve beyond the point of formal correctness as long as Spanish policy in Morocco differs significantly from that of France. Most important, the French will continue to view US motives in North Africa with suspicion, to press for US support, and to re-

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gard US actions concerning North Africa as a major factor in Franco-US relations. If the US appeared to favor the North African nationalists, it would invite serious complications in its relations with France and in its utilization of the Moroccan bases.

68. *Policy toward Indochina.*⁴ France's underlying objectives in Indochina probably are to: (a) salvage as much as possible of France's political, economic, and cultural position; (b) maintain France's alignment with the US and the UK; and (c) avoid a resumption of hostilities. However, these objectives are in many respects mutually inconsistent and French policy since Geneva has been confused and indecisive. It has had many conflicting spokesmen in both Paris and Saigon. We believe that France will continue to avoid establishing a firm policy on Vietnam.

69. Official French policy remains that of collaborating with the US in building up a strong anti-Communist Vietnam. On the other hand, the French have little confidence that the US will be able to build up sufficient strength and political appeal on the part of the South Vietnam government to forestall a defeat if elections are held as scheduled in 1956. The French apparently believe that a refusal to hold elections would lead to a renewal of hostilities, and that under these circumstances the Manila Pact would not insure prompt and effective intervention.

70. There are numerous indications that France is tending to adopt the so-called "Sainteny line" of accommodation with the Viet Minh in the hope of preserving some semblance of French economic and cultural

interests in North Vietnam. In examining the possibilities of "peaceful coexistence" with the Viet Minh the French probably have little confidence in their ability to maintain such interests in North Vietnam over a long period of time. However, they apparently believe that a policy of accommodation minimizes the chances for their renewed involvement in hostilities, and increases the likelihood that they will be able to maintain some influence in Laos and Cambodia.

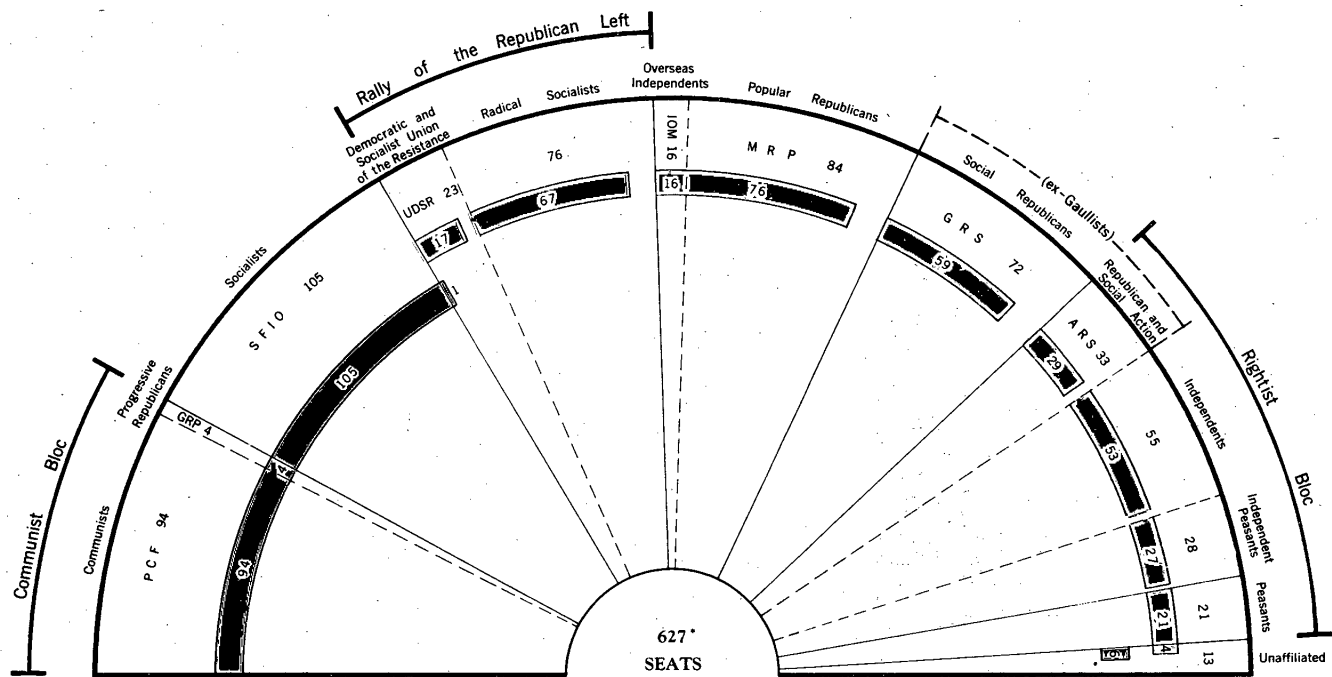
71. However, a major countervailing factor to pursuit of a policy of accommodation is reluctance to adopt a course of action which would seriously strain relations with the US. Therefore, we believe that, as in the past several months, France will keep reluctantly in step with US efforts to bolster the Vietnamese government at least until the time set for the elections. On the other hand, many French officials in Vietnam probably will continue to undermine the official French policy toward the Diem government.

72. On balance, the French will probably continue their efforts to secure the replacement of Premier Diem with a successor more amenable to French influence. We do not believe that they will attempt to negotiate reunification of Vietnam prior to the elections, because of the probable adverse effect, not only on Laos and Cambodia, but on US-French relations. On the other hand, from all indications the French will adhere to the Geneva agreement to hold elections in 1956. Only convincing evidence of US determination to maintain an independent South Vietnam, coupled with strong British pressure, might succeed in persuading France to agree to a postponement of the elections. However, at least in the immediate future, the UK is unlikely to exercise such pressure.

⁴See NIE 63-7-54, "Probable Developments in South Vietnam, Laos, and Cambodia through July 1956," dated 23 November 1954, for a fuller discussion.

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ALIGNMENTS IN THE FRENCH NATIONAL ASSEMBLY



VOTE ON EDGAR FAURE'S INVESTITURE

23 FEBRUARY 1955

369 For
210 Against

PRESENTATIONS DIVISION

3 Vacancies

50303-2

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